

File 88



FEBRUARY 12th. 1965

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## REPORT

## NORTH ROCK EXPLORATIONS LIMITED

SUITE 1212 - 55 YORK ST., TORONTO, ONTARIO - EM. 2-3283

NORTH ROCK PROUDLY ANNOUNCES ACQUISITION OF OPTION TO PARTICIPATE IN NOW PRODUCING GOLD AND SILVER MINE. GOLSIL MINES LIMITED ANNOUNCES PLANS TO GO UNDERGROUND ON THEIR GOLD, SILVER, LEAD AND ZINC PROPERTY IN ONTARIO.

A few days ago we completed arrangements whereby this company has acquired, what we believe, could be a very valuable option to participate in the production of a now producing gold and silver mine in the State of Puebla, Mexico. Plans are now underway to fulfill our part of the agreement and it is expected that development news should be forthcoming in the immediate future.

Great workings have been found in the area which show that big gold and silver producers operated profitably. The property on which North Rock will be working is now being operated on a profitable scale and after careful checking we have determined that the future potential could be very great indeed.

The average grade of minerals, now being extracted is: .25 ounces in gold and 13 ounces in silver per metric ton. This is equivalent to about \$25.00 to the metric ton. In addition to this, high grade ore is encountered, from time to time, which is shipped directly to the mill at San Luis Potosi. At the level of the river, that runs through part of the property, a sample was taken by a qualified mining engineer, that assayed 2.4 ounces in gold and 27 ounces in silver per metric ton. From this same place mineral was extracted by hand and shipped to the mill that gave grades of 2 ounces in gold and 23 ounces in silver per metric ton. Most impressive!

North Rock is now gearing up to develop additional footage in one of the two adits on the property. It is believed that by driving the one adit further high grade ore can be reached and if our assumption is correct to simply block out tonnage either for milling or shipping or both. I might add that North Rock has been most fortunate in making this arrangement on this property and also in having people in Mexico that can be relied on to assist us in many ways. These people are quite well known to your president having established a good working relationship with them over a period of years. There are no restrictions in the development of properties in Mexico providing that we fulfill our obligations and conform to the laws of the country, which we intend to do.

Personally I am most optimistic about this mining development in Mexico and feel that North Rock could be developing a potentially lucrative situation. I might also add that other Canadian companies are either now involved in Mexico or are looking to pick up favourable properties for development.

GOLSIL MINES LIMITED - We are most enthused about the future potential of the property owned by Golsil Mines, located north of Red Lake in the Favourable Lake area of northern Ontario. This company, through its own resourcefulness has drilled well over 20,000 feet and has now come up with, what appears to be, a tonnage figure of major importance. As you are aware your company financed this Golsil at the beginning and now holds a block of stock in Golsil that could prove to be most beneficial to North Rock as time goes by. Further to this North Rock owns properties in the immediate area and is naturally interested in seeing success for Golsil which, in turn, could signal the furthering of our own progress in the area.

Golsil has indicated 600,000 tons with an estimated NET value of \$19.03 per ton. This calculation assumes a degree of continuity between drill holes which must be confirmed by underground development. Not wasting any time the Directors of Golsil have immediately set forth on this program and our information has it that the company is completing arrangements for the purchase of the equipment and should have it on the property within the next two months. This program should be most interesting in view of the fact that the 600,000 ton figure has only been figured to the 1,000 foot level. It is believed that the levels below the 1,000 foot could quite easily prove to be as fruitful as the level above - or more so. For this reason we believe that this picture could develop into a major situation and are certainly watching it very closely. (And we aren't the only ones.)


As you will readily determine your company has quite a program ahead of them. It has therefore been decided that we will concentrate our efforts on the development of the Mexican properties while keeping an eye on the Golsil development picture and another one on the development of properties in the New Brunswick area where North Rock holds a group of claims and where diamond drilling, of an exploratory nature, has taken place.

I am of the firm opinion that the months ahead will be filled with news and excitement of your company's progress and urge each shareholder to watch for further interim reports which could prove to be most beneficial to one and all.

Submitted on behalf of the Board of Directors of  
NORTH ROCK EXPLORATIONS LIMITED.

A. J. Lewis - President.





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*Jeff*

# ANNUAL REPORT

YEAR ENDING NOVEMBER 30, 1965

## NORTH ROCK EXPLORATIONS LIMITED



Ballydehob, County Cork, Ireland  
Crooked Pine Lake, N.W. Ontario  
Elliott Lake, Ontario  
Favourable and Beatrice Lakes, N.W. Ontario  
And other interests

LISTED ON THE TORONTO STOCK EXCHANGE



## RECENT DEVELOPMENT NEWS

North Rock has optioned a group of 19 claims located in Weaver Township about 75 miles N/W of Ft. William and about 40 miles west of the Shebandowan property of International Nickel. At the time



of this writing we have just received a report from Mr. Bill Morehouse, the optionee, who was commissioned by North Rock to undertake preliminary exploration work on part of the claims. It might be explained that Mr. Morehouse has worked for this company in the capacity of prospector on other properties, in which he had no interest. He comes highly recommended.

His job was to blast open some of the pits and trenches in an effort to determine the logical places for drilling. Grab samples from the property returned copper values that ran as high as 3.13% with lower values in nickel.

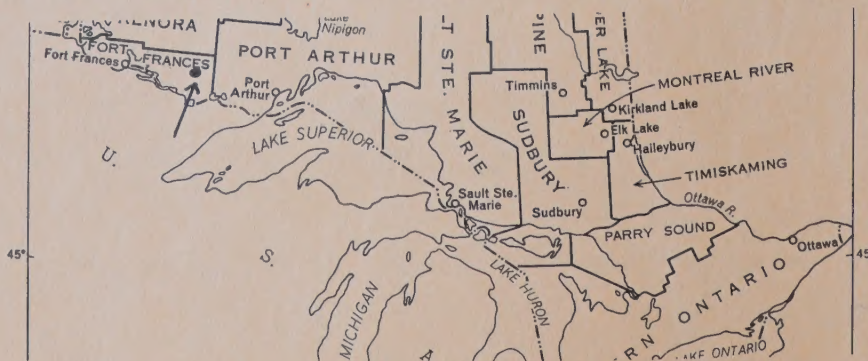
**RECENT EXPLORATION** - In our report from Mr. Morehouse he states he blasted out 4 pits and/or trenches. This work was confined to two areas on two different claims and, from the report, it would appear that all four trenches or pits came up with copper indications. Alongside is a reproduction of a photo Mr. Morehouse included with his report and, as he says on the back - "Looking north along trench #3. The best copper is in the framed section, but there is sulphide mineralization along the full length of the trench."

In his report he further refers to the #3 trench as follows: "#3 is a trench about 60 feet long. It is mineralized with pyrite and chalcopyrite for the full length, but the best copper appears to be in a section 15 - 20 feet wide at the north end, and still open going north under the overburden."

In view of this and other information contained in his report and still other information we have on hand it has been decided to set forth on a diamond drill program. To this extent we have contacted the drilling company to establish the time we may expect to move into the property.

I fully expect that a diamond drilling program will be announced within the near future - perhaps even at the Annual Shareholders Meeting. I realize, as do the other members of the Board, that a lot more information will have to be forthcoming before a prediction can be made about this property. However you may rest assured that we would not embark on a program of any size unless we felt the property we were testing at least had a potential of some sort. I might also add that a lot of other information has been made available to us which will cut our costs considerably and, at the same time, has provided us with information that led us to enter into the option agreement in the first instance.

You may rest assured that as the program unfolds the information will be passed on to the shareholders.



The arrow on the location map denotes the approximate location of the North Rock property under option.



REPORT FROM THE PRESIDENT TO THE SHAREHOLDERS

Dear Friends:

Here it is Annual Report time again and I've got another big budget of news to report on your Company's activities, past, present and, I hope, future. Some of you may recall that back in 1963 when I had the honor to become President of your Company, I made a promise that I would do my level best, in cooperation with the other members of the Board, to maintain a continuing program of field exploration in an effort to find the property that could become a mine -- for after all, that's why we're in the exploration business. So far we haven't succeeded in that objective, but I think you'll agree it hasn't been for want of trying. And I can assure you that this year your Company will remain active -- and there are several irons in the fire which I believe look particularly interesting, including the concession we are now drilling in Ireland, a new copper prospect acquired in the Fort Frances area of northwest Ontario . . . PLUS the possibility that your Company may engage in exploration for copper on the island of Haiti!

Let me tell you a little bit about Haiti. I have just returned from that lovely little country in the Caribbean where I went to examine the possibilities of some mining areas on behalf of your Company and others -- and I came away not only very excited by the mining potential, but by the attitude of the Haitian authorities who extended me every cooperation. Haiti needs outside capital to help it develop its rich natural resources and I think they favor Canada because of our mining know-how as well as by the fact that they know we will act as "good citizens" while we're working there.

You may have noted in recent press reports that Consolidated Halliwell, a Canadian mining company which has been operating a copper mine in Haiti for a few years, recently launched an exploration program in another part of the island in association with some U.S. interests (according to a Northern Miner report of March 17). The first hole put down in this new region (known as Boucarie Creek) returned a 61 ft. intersection averaging 3.52% copper. The second hole gave 11 ft. of 2.62% copper with lower values in the upper sections. I understand this hole was being deepened.

But now let me tell you what I found. Travelling with Bill Arrowsmith, your Company's Vice President, we gathered a bagful of samples to bring back for assaying -- and some of the results were quite startling. One sample assayed 39% copper. Another gave 23% copper. This one also assayed 0.09 oz. gold and 2.61 oz. silver. Both Mr. Arrowsmith and I were highly impressed -- so much so that I have made application for several mining concessions and I am now awaiting word from the Haitian authorities. It is my hope that if we succeed in obtaining these concessions, your Company will have an opportunity to participate.

Well -- so much for Haiti. Let's look at Ireland. (We're getting to be quite an international company!) The first hole we started on the property at Ballydehob, County Cork, I have to admit was a bit of a mistake in that it was located too far south from the area we want to probe. It encountered some weak structure that caved in and had to be stopped. But the No. 2 hole is now in what I believe is the right place and was still drilling as I write this. I hope to have a result by the time we get together at the annual meeting. (I may know more about the Haitian situation then, too.)

NEW PROPERTY IN RAINY RIVER DISTRICT -- Recently your Company acquired a group of claims in what's known as the Crooked Pine Lake area, Weaver Twp., in the Rainy River district of Northwest Ontario. It's in an area of some copper showings that look quite interesting. To start off with, we have sent an experienced mining man up to the property to initiate a program of blasting to open up some pits for examination and sampling. This will determine the kind of program we will need and give us some idea of structure. From descriptions of other properties in the area, I'd say it looks like a very interesting prospect -- though it is no more than that at this stage.

I want again to remind you that we continue to hold our 17-claims in the Elliott Lake uranium camp. A major revival of the uranium mining industry in the near future now seems a certainty and there are many warnings from the nuclear energy people that unless new reserves are built up soon, there will be a shortage within the next 15 years. Your Company's property is in Twp. 144 and it's right next door to a Denison Mines property. This could one day prove to be a very valuable asset to your Company.

GOLSIL MINES -- As you know, your Company holds a substantial share position in Golsil so I'm sure you will be most interested in the developments there. The company is now working underground, drifting along the vein (or veins) on the 490 level. Just before the drifting was started, several exploratory diamond drill holes were put in, probing several different directions. Hole No. 402 returned a 6 1/2 ft. section which averaged \$44.00 in combined gold and silver -- including a 2 1/2 ft. section which gave a combined assay of \$76.00 silver and gold! In No. 403, there was a six ft. section that averaged about \$17.00 combined. The 404 had two and a half feet around \$23.00. The first hole had



only low values and so did the 406, though in the latter there were gold and silver values. About 12 more samples have just been sent out for assay from the next hole. Everything seems to be going well now and within a couple of weeks we will have a better idea of how the situation looks in relation to the surface drill results which, you will remember, indicated some 600,000 tons of gold-silver-lead-zinc ore above the 1,000 ft. horizon.

It's worth remembering too, that your Company, participating with the syndicate whose other members were Flint Rock Mines and Norite Explorations, turned up three anomalies in geophysical surveying on a property adjoining Golsil at Favourable Lake. We don't intend to pursue this at the moment, at least until the Golsil program is further advanced underground. We also hold a property at Beatrice Lake in the same area, adjoining the Astrabrun-Noranda property. We found an anomaly on the northeast corner of this property. I understand, unofficially, that the adjoining property is to get an underground program for which financing is now being sought.

THE PAST YEAR'S WORK -- Now that we're up to date on your Company's current position, I should review the work of the past year in other directions -- and we've had our share of disappointments. Mexico, for which I held high hopes, finally petered out mainly because we couldn't work out arrangements advantageous to your Company. Diamond drilling was carried out on the Desjardin, Quebec gold property (as part of the Syndicate), but the results were not conclusive enough to warrant further expenditures at this time. We may have another go later depending on results elsewhere in the vicinity.

That, I think, covers the whole operation of your Company, except the question of finances and you will see the position as of the end of last November in the Financial Statement submitted in the following pages. We have no new financing plans on tap at the moment, but we'll be ready to move in this direction the moment it becomes necessary as our various activities develop.

The Annual Meeting of shareholders has been called for 30th May, 1966 in Toronto at the time and the place you will find on the enclosed Notice of Meeting. I hope we will have a good turn-out of shareholders -- but in the event you can't make it, please sign and return the enclosed proxy form -- which is your way of exercising your voting privilege in your Company's affairs.

Being a born optimist, I am naturally looking forward to the year ahead with great expectations. As you can see, your Company has many things going for it and somewhere along the line I think we will have occasion to report good progress to you -- especially, I think, if the Haitian move jells as I hope it will . . . and the Golsil.

On behalf of the Board of Directors,  
A.J. Lewis, President

May, 1966

NORTH ROCK EXPLORATIONS LIMITED - FINANCIAL STATEMENTS  
FOR THE YEAR ENDED NOVEMBER 30, 1965

AUDITORS' REPORT

Fisher, Nisker & Company, Chartered Accountants  
62 Richmond St. West, Toronto, Ontario

To the Shareholders of North Rock Explorations Limited:

We have examined the balance sheet of North Rock Explorations Limited as at November 30, 1965 and the statements of deferred exploration, development and administrative expenditures and deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of deferred exploration, development and administrative expenditures and deficit present fairly the financial position of the company as at November 30, 1965 and its activities for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Fisher, Nisker & Company (signed)  
Chartered Accountants

Toronto, Ontario, January 21, 1966

NORTH ROCK EXPLORATIONS LIMITED  
(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET AS AT NOVEMBER 30, 1965

<u>ASSETS</u>		
<u>Current assets</u>		
Cash		\$ 6,106.86
Marketable securities, at cost (market value \$16,000.00)		7,098.14
Miscellaneous receivables		<u>67.54</u>
		\$ 13,272.54



Investment in Golsil Mines Limited (Note 1)

Shares, at cost less proceeds from sale	\$31,464.00	
Advances	<u>22,552.20</u>	\$ 54,016.20

Fixed assets

Mining claims at valuation of \$12,000.00 attributed to 200,000 shares of capital stock (as presently constituted) issued for claims plus \$9,336.78 paid in cash (Note 2))	\$21,336.78	
One-third interest in mining claims, at cost	522.78	
Mining claims at written down value	1.00	
Prospecting license in Ireland, recorded at nominal value (Note 3)	<u>1.00</u>	
	\$21,861.56	
Equipment, machinery and tools, not in excess of cost	<u>406.11</u>	\$ 22,267.67

Deferred expenditures

Exploration, development and administrative expenditures, per statement		<u>119,343.06</u>
		<u>\$208,899.47</u>

LIABILITIESCurrent liabilities

Accounts payable		\$ 4,388.05
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Shareholders' equityCapital stock

## Authorized:

3,000,000 shares, par value \$1.00 each

## Issued and fully paid:

1,455,000 shares	\$1,455,000.00	
Less - discount thereon	<u>1,217,937.87</u>	\$237,062.13

Contributed surplus - arising from the re-  
duction of capital stock on January 28, 1963

<u>748,248.54</u>
<u>\$985,310.67</u>

<u>Deficit, per statement</u>	<u>780,799.25</u>	204,511.42
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\$208,899.47

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board of Directors: A.J. Lewis (signed) - Director J.A. Murphy (signed) -  
Director

NORTH ROCK EXPLORATIONS LIMITED  
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES  
FOR THE YEAR ENDED NOVEMBER 30, 1965

Exploration and development

Engineers' fees and expenses	\$ 4,927.51	
Diamond drilling	14,015.22	
Travel and transportation	1,780.22	
Government fees, licenses and taxes	1,225.50	
Wages	400.00	
Drifting	3,633.47	
Equipment rental and repairs	1,208.45	
Miscellaneous	<u>874.93</u>	\$ 28,065.30

Administrative

Head office accommodation, accounting and secretarial fees	\$ 1,050.00	
Travelling	1,360.62	

Legal and audit fees	\$ 868.25	
Transfer agent's fees and expenses	1,615.62	
Shareholders' information, including costs of meeting	2,332.81	
Stock exchange fee	100.00	
Government fees and taxes	42.28	
Directors' fees	250.00	
Miscellaneous expenses including telephone	1,296.92	
	<u>\$ 8,916.50</u>	
Less - interest and dividends received	831.26	<u>\$ 8,085.24</u>
<u>Expenditures during year</u>		<u>\$ 36,150.54</u>
<u>Balance deferred, December 1, 1964</u>		<u>102,200.77</u>
		<u>\$138,351.31</u>
Deduct - amount applicable to option on Mexican mining concessions dropped -written off to deficit	\$15,056.26	
- excess of proceeds over cost of two-thirds interest in mining claims sold	3,951.99	19,008.25
<u>Balance deferred, November 30, 1965</u>		<u><u>\$119,343.06</u></u>

#### SUMMARY OF DEFERRED EXPENDITURES

<u>Exploration and development</u>		
Blind River, Ontario	\$69,117.34	
Thunder Bay, Ontario	29.40	
Price and Bristol Townships, Ontario	9,785.96	
Favourable Lake, Ontario	13,594.17	
Prospecting license in Ireland	76.84	
Bathurst, New Brunswick	10,044.66	
Desjardin Township, Quebec (one-third of cost)	3,357.13	\$106,005.50
<u>Administrative</u>		13,337.56
		<u><u>\$119,343.06</u></u>

#### NORTH ROCK EXPLORATIONS LIMITED - STATEMENT OF DEFICIT FOR THE YEAR ENDED NOVEMBER 30, 1965

<u>Balance, November 30, 1964</u>		\$770,476.74
<u>Additions during year</u>		
Cost of option on mining concessions in Mexico, option not exercised	\$ 5,388.75	
Exploration expenditures thereon	\$10,766.11	
Administrative expenditures thereon	4,290.15	15,056.26
		<u>\$20,445.01</u>
Less - profit on sale of securities	10,122.50	10,322.51
<u>Balance, November 30, 1965</u>		<u><u>\$780,799.25</u></u>

#### NORTH ROCK EXPLORATIONS LIMITED NOTES TO FINANCIAL STATEMENTS - NOVEMBER 30, 1965

Note 1 - By an agreement dated December 11, 1962 the company granted a broker-dealer an option to purchase all or any part of 850,000 shares at 10¢ per share of Golsil Mines Limited held by the company. This broker-dealer is acting as the agent for Golsil Mines Limited in the sale of its capital stock. The aforementioned option is exercisable at the rate of one share for every three shares of Golsil Mines sold by the broker-dealer under the agency agreement. Pursuant to this option, the company sold 235,360 shares of Golsil Mines Limited to November 30, 1965 (20,600 shares sold during the year ended November 30, 1965). At November 30, 1965 the company held 864,640 shares (369,640 free shares and 495,000 escrowed shares) of Golsil Mines Limited. Subsequent to the balance sheet date (to January 21, 1966) the company sold an additional 29,300 shares of Golsil Mines Limited.

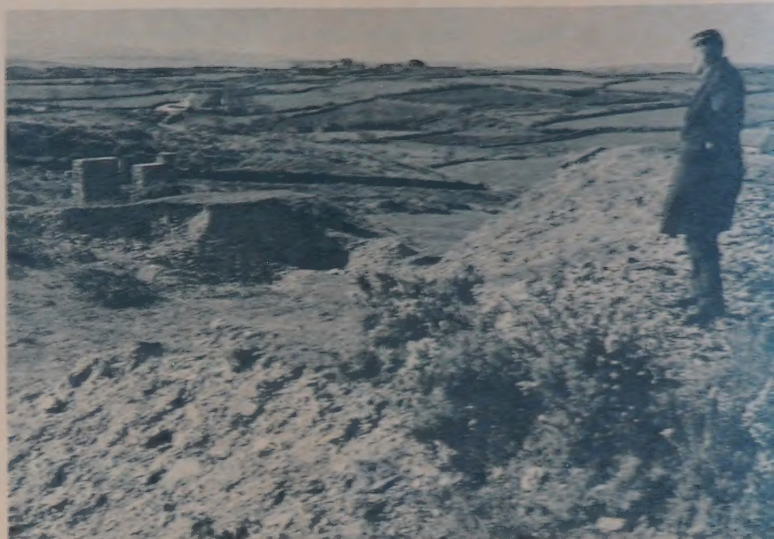


- Note 2 - The company has abandoned 47 of the 184 claims it held in the Favourable Lake Area, Ontario, and 8 of the 18 claims in the Bathurst Mining Area, New Brunswick. The company's policy is to make no write-offs in the accounts when only part of a group is abandoned. Should an entire group be abandoned, or otherwise disposed of, the cost of the claims together with the exploration and administrative expenditures applicable to the group will be written off.
- Note 3 - The company has acquired a prospecting license to explore certain lands in Cork County, Ireland. This license is for a one-year period ending July 8, 1966 subject to the rights of renewal. To maintain the license in good standing, the company must expend a minimum of \$10,000.00 on prospecting and development of the property during the year.
- Note 4 - Subsequent to the balance sheet date and pursuant to an agreement dated December 13, 1965, the company paid \$125.00 to acquire a one-third interest in twenty unpatented mining claims in the Township of Desjardin, County of Abitibi, Province of Quebec.





In Haiti looking at a mineralized copper zone that looks promising. The Irish property, now drilling, includes an old rock dump along with old mill locations. Old name - Ballycumisk. Also copper.



<u>CAPITALIZATION</u> -	AUTHORIZED	-	3,000,000 shares par value \$1.00
	ISSUED	-	1,455,000 shares

OFFICERS AND DIRECTORS:

A.J. Lewis - President  
W.C. Arrowsmith, B.Sc. - Vice-President  
G.A. Ireland - Secretary-Treasurer  
J.A. Murphy - Assistant Secretary-Treasurer  
J.A. Gilbert - Director

All of Toronto, Ontario, Canada.

REGISTRAR AND TRANSFER AGENT - The Sterling Trusts Corporation - Toronto, Ontario.

HEAD OFFICE - 55 York Street, Toronto, Ontario, Canada.

STOCK EXCHANGE - Listed on the Toronto Stock Exchange.



NORTH ROCK EXPLORATIONS LIMITED

TORONTO 1, CANADA